



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF SIMLAB)
COMMUNICATIONS, LLC FOR AUTHORITY TO)
PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES WITHIN)
THE STATE OF NEW JERSEY)

ORDER

DOCKET NO. TE06020114

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. §151 et seq., and by letter dated February 16, 2006 and May 10, 2006, Simlab Communications, LLC ("Petitioner" or "Simlab"), filed original and an amended Petition with the New Jersey Board of Public Utilities ("Board") requesting a certification to provide resold and facilities-based competitive local exchange and interexchange telecommunications services within the State of New Jersey, respectively.

Simlab is a privately held corporation organized under the laws of the State of New Jersey. Joseph Lipman is the President of Simlab. Joseph and Robert Lipman are Principal Owners of the company and each have a 50% ownership interest in Simlab and Simlab.net, LLC, a Managed Service Provider and an affiliated company. Petitioner's principal offices are located at 579 Pompton Avenue, Cedar Grove, New Jersey 07009.

Petitioner has submitted a copy of its Certificate of Incorporation from the State of New Jersey. According to the Petition, Simlab was formed to provide resold and facilities-based competitive local exchange and interexchange telecommunications services within the State of New Jersey. Petitioner states that it is in the process of applying for Competitive Local Exchange Carrier ("CLEC") authority in the State of New York. Petitioner states that it has not been denied authority to provide telecommunications services, its authority has not been revoked in any jurisdiction and it has not been the subject of any civil or criminal proceedings. Petitioner is currently engaged in negotiations with Verizon, New Jersey to enter into an interconnection agreement.

Petitioner seeks authority to provide resold and facilities-based competitive local exchange and interexchange telecommunications services in the State of New Jersey. Petitioner is requesting CLEC authority in accordance with the 1996 Telecommunications Act, which requires telecom companies to have CLEC authority in order to interconnect with Verizon, New Jersey and to buy Unbundled Network Elements ("UNE"). Petitioner states that at this time it has no plans to provide voice or dial-tone services. Petitioner will be interconnecting and collocating in a Verizon Central Office to build a telecom infrastructure of its own and provide high capacity UNE DS1 data circuit to Simlab.net's customers. According to the Petition, Simlab has been created as a separate corporation to clearly delineate regulated from unregulated services. Petitioner states that it will provide High Capacity data circuit, or the loop, to its customers, while its affiliate will provide the internet service on the circuit. Petitioner will not share facilities of its affiliate as it will be collocated with Verizon, New Jersey. Petitioner further states that it will sell advanced data services to business and enterprise customers and provide high capacity DS1 and DS3 data circuits to business customers and internet service providers in the State of New Jersey. According to the Petitioner, in most cases, internet service customers are unable or unwilling to shoulder the expense of a dedicated Information Technology ("IT") professional and Simlab's affiliate meets their need for tech support with Petitioner's on-call customer service department. Hence, Petitioner has focused its growth efforts exclusively on medium and smaller size corporate accounts that cannot afford a full time IT professional or tech support staff. Petitioner's business plan projects a 15% annual increase in sales. Petitioner maintains a toll-free number for customer service inquiries. Petitioner has filed a proposed tariff with the Board in Docket No. TT06020120.

Petitioner requests a waiver of N.J.A.C. 14:1-4.3, which requires that books and records be maintained in accordance with the Uniform System of Accounts ("USOA"). In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, Simlab states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel who, according to Simlab, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services and the Legislature's findings that "competition will promote efficiency, reduce regulatory delay, and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Simlab's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide local exchange and interexchange telecommunications services throughout New Jersey. The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner has filed a proposed tariff in Docket No. TT06020120.

The Board HEREBY ORDERS that:

- 1) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to file an annual report by the due date, Petitioner shall be subject to a penalty of \$5.00 for each day thereafter until such report is filed.
- 2) Pursuant to N.J.S.A. 48:2-62, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 of the following year.


On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the Petitioner's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and a statement of gross intrastate revenues from operations form are due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for a waiver of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirement


that the Petitioner maintain its books and records in accordance with USOA. Therefore, the Board APPROVES the Petitioner's request for exemption from maintaining its books and records in accordance with USOA.

DATED: 6/7/06

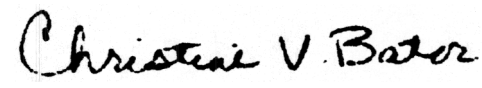
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COMMISSIONER

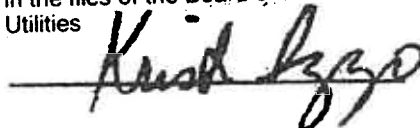

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



IN THE MATTER OF THE PETITION OF SIMLAB COMMUNICATIONS, LLC FOR
AUTHORITY TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE
TELECOMMUNICATIONS SERVICES WITHIN
THE STATE OF NEW JERSEY

DOCKET NO. TE06020114

SERVICE LIST

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